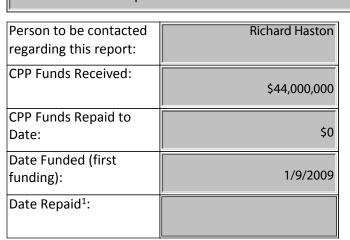
ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Cadanca	Financial	Corporation
Cauence	FILIALICIAL	Corporation



RSSD:	1100037
(For Bank Holding Companies)	
Holding Company Docket Number:	
(For Thrift Holding Companies)	N/A
FDIC Certificate Number:	
(For Depository Institutions)	N/A
City:	C. 1 '''
	Starkville
State:	Missississi
	Mississippi

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

Increase lending or reduce lending less	
than otherwise would have occurred.	

¹If repayment was incremental, please enter the most recent repayment date.

	To the extent the funds supported	
	increased lending, please describe the	
	major type of loans, if possible	
	(residential mortgage loans, commercial	
	mortgage loans, small business loans,	
	etc.).	
_	Increase securities purchased (ABS, MBS,	
	ate \	
	etc.).	
	Make other investments	
X	Increase reserves for non-performing	We increased our reserves during 2009 to the extent necessary, and the capital allowed us to
	assets	maintain capital ratios for the bank during 2009 which would in ordinary circumstances be viewed
	433013	as well capitalized.

	Reduce borrowings	
X	Increase charge-offs	We increased our charge-offs during 2009 to the extent necessary, and the capital allowed us to maintain capital ratios for the bank during 2009 which would in ordinary circumstances be viewed as well capitalized.
	Purchase another financial institution or purchase assets from another financial institution	
×	Held as non-leveraged increase to total capital	The additional capital allowed us to stay above the well capitalized ratios and make progress toward achieving higher capital ratios mandated by regulators based on market conditions.

, as we worked through our problem loan issues. It also allowed us to avoid decreasing our level of service to our deposit customer base able to renew certain loans to our existing performing loan customers with significant relationships with the bank, although as a result of ted higher capital ratio by regulators, we were required to shrink our balance sheet and reduce the aggregate amount of loans			
The additional capital allowed us to avoid having our regulatory capital ratios drop below the statutory levels for a bank to be considered well-capitalized, as we worked through our problem loan issues. It also allowed us to avoid decreasing our level of service to our deposit customer base and to be able to renew certain loans to our existing performing loan customers with significant relationships with the bank, although as a result of the mandated higher capital ratio by regulators, we were required to shrink our balance sheet and reduce the aggregate amount of loans outstanding during 2009.			

We were able to address problem loan issues in our portfolio, increase our allowance for loan losses to an appropriate level commensurate with	th the
risk level in our portfolio and to maintain our capital levels above statutory well-capitalized levels.	re you able to take that you may not have taken without the capital infusion of CPP funds? dress problem loan issues in our portfolio, increase our allowance for loan losses to an appropriate level commensurate with the folio and to maintain our capital levels above statutory well-capitalized levels.

	ther actions that you w	vere able to under	take with the capit	al infusion of CPF	ofunds.	
N/A						

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.